



**Jeannette B. DeJesús**  
SPECIAL ADVISOR TO THE GOVERNOR  
OFFICE OF HEALTH REFORM & INNOVATION  
STATE OF CONNECTICUT

**Basic Health Plan Work Group**

Meeting  
November 19, 2012  
2:00pm-4:00pm  
Legislative Office Building, Room 1A

Minutes

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**Members Present:** Jeannette DeJesús, Pat Baker, Kevin Counihan, Margaret Flinter, Anne Foley, Uma Ganesan (for Roderick Bremby), Jennifer Jackson, Sharon Langer, Jane McNichol, Katharine Lewis (for Jewel Mullen), Deb Polun, Rep. Betsy Ritter, Matt Salner, Keith Stover, Vicki Veltri, Susan Walkama, Katharine London, Bobbi Schmidt, Robert Seifert

**Members Absent:** Sen. Terry Gerratana, David Henderson, Sen. Anthony Musto, Pat Rehmer, Rep. Peter Tercyak, Joan Feldman

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**Welcome and Introductions**

Jeannette DeJesús opened the meeting by welcoming everyone. Members introduced themselves.

**Public Comment**

There was no public comment.

**Approval of Minutes of the October 15 Meeting**

The minutes of the October 15 meeting were approved.

## **Presentation by Milliman Actuarial Consultants**

Ms. DeJesús introduced Jeremy Palmer, the lead actuarial consultant from Milliman, for a presentation on the actuarial analysis of the Basic Health Plan option for Connecticut. Mr. Palmer began by reviewing the purpose of the analysis and Milliman's approach to modeling for the study. He then discussed the four main modeling assumptions and related risks: the second-lowest cost Silver plan premium in the Exchange (on which the federal BHP subsidy is based), the potential cost of the provision of BHP benefits, the number of eligible people who would enroll in a BHP, and the level of benefits provided in a BHP. He underscored the significant uncertainty in estimating the second-lowest cost Silver plan premium, which resulted in a wide range of revenue estimates for a BHP. He then specified the ranges of estimates of these assumptions.

Mr. Palmer discussed the fiscal estimates for a potential BHP under several different scenarios, which varied by the level of federal subsidy (based on the second-lowest cost Silver plan premium), the cost of the BHP (based on the levels of benefits and provider reimbursements), and the level of cost sharing for members. The latter two variables represent policy levers that may be adjusted by the state. Mr. Palmer showed tables and charts which illustrated the ranges of estimates of the overall financial viability of a potential BHP.

[Mr. Palmer's presentation is posted on the Basic Health Plan Work Group page on the Office of Health Reform & Innovation website.](#)

## **Presentation by Health Insurance Exchange**

Kevin Counihan, the CEO of the Health Insurance Exchange, gave a brief presentation on the impact of a potential BHP on the Exchange. He said that the goals of the Exchange and the BHP are essentially the same: to provide insurance coverage to the uninsured and under-insured, improve health care quality, lower costs, and eliminate health disparities.

Mr. Counihan said that a BHP in Connecticut would reduce the number of Exchange enrollees by approximately one third, which could make the Exchange less attractive to some carriers, thereby limiting consumers' options and decreasing competition among plans. Since the BHP would reimburse providers at Medicaid rates, it could lead to additional cost-shifting for providers to the commercial insurance market, which could result in increased premiums. He added that churning, or changing eligibility between programs based on income, could be an issue, with people moving from the BHP to the Exchange or vice versa.

[Mr. Counihan's presentation is posted on the Basic Health Plan Work Group page on the Office of Health Reform & Innovation website.](#)

## **Presentation by University of Massachusetts Consultants**

Katharine London and Robert Seifert, consultants from the University of Massachusetts Medical School, gave a brief presentation on the policy questions that remain to be answered in order to inform recommendations on a potential BHP. These questions included issues of financial feasibility; the impact on potential members, providers, and the Exchange; the timing for the

establishment of a BHP; potential changes in Medicaid eligibility (including HUSKY A-eligible parents over 133% of the federal poverty level); and other options if the state decides not to establish a BHP.

[Ms. London and Mr. Seifert's presentation is posted on the Basic Health Plan Work Group page on the Office of Health Reform & Innovation website.](#)

### **Federal Guidance on Basic Health Plan**

Ms. DeJesús said that there had still been no federal guidance for states on the BHP option, and that Governor Malloy and Lt. Governor Wyman had still not received a response to their letter to the US Department of Health & Human Services seeking such guidance. She added that, in part due to a lack of federal guidance, Washington State had decided not to proceed with the establishment of a BHP, and that Massachusetts was reconsidering its decision to proceed.

### **Next Steps**

Ms. DeJesús said that the actuarial study group would examine issues relating to the impact of a BHP on providers, potential variations in the BHP take-up rates based on member cost sharing, the impact of the BHP of the Exchange, and the churning of members between programs based on their incomes. The University of Massachusetts consultants said that they would create additional scenarios of potential BHP enrollees to illustrate the impact on members.

### **Adjournment**

The meeting was adjourned at 4:00pm.